

**COUNTY OF SANTA CLARA
DISTRICT ATTORNEY'S OFFICE**

California Governor's Office of Emergency Services
Coverdell Forensic Sciences Improvement Program
Independent Auditor's Reports
and Financial Schedules

For the Year Ended December 31, 2008

County of Santa Clara
District Attorney's Office
California Governor's Office of Emergency Services
Coverdell Forensic Sciences Improvement Program
(Grant Number: CQ07050430)
For the Year Ended December 31, 2008

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Schedule of Source and Status of Cash and the related Schedule of Budget and Cumulative Expenditures and Cumulative Funding (financial schedules) of the County of Santa Clara (County) District Attorney's Office Coverdell Forensic Sciences Improvement Program (Program), a grant funded by the State of California Governor's Office of Emergency Services, for the year ended December 31, 2008. These financial schedules are the responsibility of the County's management. Our responsibility is to express an opinion on these financial schedules based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, certain provisions and guidelines as set forth by the *California Governor's Office of Emergency Services Coverdell Forensic Sciences Improvement Program Guidelines (Guidelines)* and the *Office of Emergency Services Grantee Handbook (OES Handbook)*. Those standards, provisions and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over the Program's financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedules presentation. We believe that our audit provides a reasonable basis for our opinion.


As described in Note 1, the financial schedules present only the Program and do not purport to, and do not, present fairly the changes in financial position of the County for the year ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America (GAAP).

As described in Note 1, the financial schedules were prepared in conformity with the cash basis method of accounting, which is a comprehensive basis of accounting other than GAAP. Accordingly, the accompanying financial schedules are not intended to present the changes in financial position of the Program in conformity with GAAP.

In our opinion, the financial schedules referred to above present fairly, in all material respects, the financial operations of the Program for the year ended December 31, 2008, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2009 on our consideration of the County's internal control over the Program's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the management of the County District Attorney's Office and California Governor's Office of Emergency Services and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants
Walnut Creek, California

September 25, 2009

County of Santa Clara
District Attorney's Office
California Governor's Office of Emergency Services
Coverdell Forensic Sciences Improvement Program
(Grant Number: CQ07050430)

**Schedule of Source and Status of Cash
For the Year Ended December 31, 2008**

Allocations:

Federal:

Coverdell 2007	\$ 44,746
Cash received as of December 31, 2008	(44,635)
Allocation available as of December 31, 2008	\$ 111

**Schedule of Budget and Cumulative Expenditures and Cumulative Funding
For the Year Ended December 31, 2008**

	Budget	Actual Expenditures/ Funding for the Year Ended December 31, 2008
Expenditures:	\$ 44,746	\$ 44,635
Funding:		
Federal funds	\$ 44,746	\$ 44,635

The accompanying notes are an integral part of these financial schedules.

**County of Santa Clara
District Attorney's Office
California Governor's Office of Emergency Services
Coverdell Forensic Sciences Improvement Program
(Grant Number: CQ07050430)
Notes to Financial Schedules
For the Year Ended December 31, 2008**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Background

The Coverdell Forensic Sciences Improvement Program (Program) grant has been awarded to the County of Santa Clara (County) District Attorney's Office by the State of California Governor's Office of Emergency Services (OES). The goal of the Program is to improve the quality, timeliness, and credibility of forensic science over current operations. The Program permits funding for crime laboratories expenses related to ongoing educational and/or training and developments needs of forensic scientists.

The Reporting Entity

The financial schedules are intended to present only those transactions attributable to the Program and are not intended to present fairly the changes in financial position of the County in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

The accompanying financial schedules are prepared in accordance with the cash basis method of accounting prescribed by the OES. Accordingly, revenues are recognized when received, and expenditures are recognized when the related liabilities are paid.

NOTE 2 – SOURCE AND STATUS OF CASH

The allocation available at the end of the grant period represents the portion of the original or amended allocation available for the County as of December 31, 2008. This amount can represent unreimbursed program expenditures or unexpended budgeted amounts.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL SCHEDULES PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the accompanying Schedule of Source and Status of Cash and the related Schedule of Budget and Cumulative Expenditures and Cumulative Funding (financial schedules) of the County of Santa Clara (County) District Attorney's Office Coverdell Forensic Sciences Improvement Program (Program), a grant funded by the California Governor's Office of Emergency Services, for the year ended December 31, 2008, and have issued our report thereon dated September 25, 2009. Our report contained explanatory paragraphs describing the reporting unit and the use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; certain provisions of the *California Governor's Office of Emergency Services Coverdell Forensic Sciences Improvement Program Guidelines (Guidelines)* and the *Office of Emergency Services Grantee Handbook (OES Handbook)*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over the Program's financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over the Program's financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over the Program's financial reporting.


A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Program's financial schedules will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free of material misstatement, we performed tests of the Program's compliance with certain provisions of laws, regulations, contracts, grant agreements, the *Guidelines* and the *OES Handbook*, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, the *Guidelines* and the *OES Handbook*.

This report is intended solely for the information and use of the management of the County District Attorney's Office and the California Governor's Office of Emergency Services and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants
Walnut Creek, California

September 25, 2009

County of Santa Clara

Crime Laboratory
Office of the District Attorney

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Dolores Carr
District Attorney

Benny Del Re
Laboratory Director

September 25, 2009

Macias Gini & O'Connell, LLP
2121 N. California Blvd., Suite 750
Walnut Creek, CA 94596

Ladies and Gentlemen:

We are providing this letter in connection with your audit of the Schedule of Source and Status of Cash and the related Schedule of Budget and Cumulative Expenditures and Cumulative Funding (Financial Schedules) of the County of Santa Clara (County) District Attorney's Office's 2007 Coverdell Forensic Sciences Improvement Program (Program), a grant funded by the California Governor's Office of Emergency Services (OES) for the year ended December 31, 2008. We confirm that we are responsible for the fair presentation of these Financial Schedules in conformity with the cash basis accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of September 25, 2009, the following representations made to you during your audit.

- 1) The Financial Schedules referred to above are fairly presented in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than GAAP.
- 2) We have made available to you all financial records and related data all audit or relevant monitoring reports, if any, received from funding sources. There are no Board minutes available to this Program.
- 3) The Program has been administered in compliance with the guidelines issued by OES.
- 4) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 5) There are no material transactions that have not been properly recorded in the accounting records underlying the Financial Schedules.
- 6) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 7) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the Financial Schedules.
- 8) We have no knowledge of any allegations of fraud or suspected fraud affecting the Program received in communications from employees, former employees, analysts, regulators, or others.

- 9) We have a process to track the status of audit findings and recommendations.
- 10) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 11) The County has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 12) The following, if any, have been properly recorded or disclosed in the Financial Schedules:
 - a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the County is contingently liable.
 - c) All accounting estimates, including fair value measurements, that could be material to the Financial Schedules, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
- 13) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of Financial Statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities.
- 14) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), and provisions of contracts and grant agreements whose effects should be considered for disclosure in the Financial Schedules or as a basis for recording a loss contingency.
- 15) We are not aware of any pending or threatened litigations, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the Financial Schedules in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, and we have not consulted a lawyer concerning litigation, claims or assessments.
- 16) The County has complied with all aspects of contractual agreements that would have material effect on the Financial Schedules in the event of noncompliance.
- 17) The County was not required to submit the 90-day implementation status report for the Program.
- 18) As part of your audit, you prepared the draft Financial Schedules and related notes. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those Financial Schedules and related notes.

No events, including instances of noncompliance, have occurred subsequent to the audit report date through the date of this letter that would require adjustment to or disclosure in the aforementioned Financial Schedules.

Signed: 
Title: Crime Laboratory Director

Signed: _____
Title: _____